

# Energy Act 2023

# **2023 CHAPTER 52**

## PART 8

HEAT NETWORKS

## CHAPTER 2

#### HEAT NETWORK ZONES

#### *Heat networks within zones*

#### 232 Heat networks within zones

- (1) Zones regulations may make provision about heat networks within heat network zones.
- (2) Regulations made by virtue of subsection (1) may, in particular—
  - (a) make provision imposing requirements on persons of a description specified in the regulations for the purpose of securing that buildings of types specified by the regulations situated within a heat network zone are connected to a district heat network within the zone—
    - (i) in circumstances specified by the regulations, and
    - (ii) within a time specified by, or determined in accordance with, the regulations;
  - (b) make provision about zone coordinators giving notice of requirements imposed by regulations made by virtue of paragraph (a) to persons on whom requirements are imposed;
  - (c) make provision about the grant by zone coordinators of exemptions from requirements imposed by regulations made by virtue of paragraph (a);
  - (d) make provision imposing requirements on persons of a description specified in the regulations for the purpose of securing that buildings of types specified

by the regulations situated within a heat network zone are installed with communal heat networks—

- (i) in circumstances specified by the regulations,
- (ii) within a time specified by, or determined in accordance with, the regulations, and
- (iii) in a manner that would allow the communal heat networks to be connected to a district heat network;
- (e) make provision for, or in connection with, the requesting of information from a person, by notice given by a zone coordinator, about a source of thermal energy located on the person's premises that may be suitable to supply a district heat network within a heat network zone;
- (f) make provision for, or in connection with, the imposition of a requirement on a person, by notice given by a zone coordinator, to allow the installation of equipment on the person's premises, and the connection of that equipment to a district heat network, to enable a source of thermal energy located on the premises to supply a district heat network within a heat network zone;
- (g) make provision imposing requirements on persons of a description specified in the regulations for the purpose of securing that machinery and other equipment of types specified by the regulations are designed, and installed on premises, in a manner which would enable thermal energy generated by the machinery or other equipment to be supplied to a district heat network within a heat network zone;
- (h) make provision about the terms on which thermal energy is supplied to a district heat network in pursuance of regulations made by virtue of paragraph (f) or (g) (including in particular provision about the amount that may be charged);
- (i) make provision for, or in connection with, the setting by zone coordinators of limits on emissions of targeted greenhouse gases resulting from district heat networks within heat network zones;
- (j) make provision about zone coordinators affording a grace period to a person who is required to comply with a limit imposed under regulations made by virtue of paragraph (i).
- (3) Regulations made by virtue of subsection (2)(c) may—
  - (a) specify the criteria in accordance with which a zone coordinator is to determine an application for an exemption;
  - (b) make provision about procedure;
  - (c) specify how, and on what grounds, a refusal to grant an exemption may be appealed.
- (4) Regulations made by virtue of subsection (2)(e) may-
  - (a) specify the information about the source of thermal energy that may be requested;
  - (b) require the requested information to be provided within the period, and in the form and manner, specified in the notice;
  - (c) provide for the disclosing of information requested by the zone coordinator not to breach any obligation of confidence owed by the person making the disclosure or any other restriction on the disclosure of information (however imposed);
  - (d) provide for a request for information not to require a disclosure of information if disclosure would contravene the data protection legislation

(but for a requirement imposed by virtue of regulations made by virtue of subsection (2)(e) to be taken into account in determining whether a disclosure would do so);

- (e) provide for zone coordinators to delegate functions conferred on them by regulations made by virtue of subsection (2)(e) to a description of person, and in circumstances and subject to conditions, specified by the regulations.
- (5) Regulations made by virtue of subsection (2)(f) may-
  - (a) specify the types of sources of thermal energy in respect of which a zone coordinator may or must impose a requirement on a person and in what circumstances;
  - (b) make provision about the period within which a person must comply with a requirement;
  - (c) specify how, and on what grounds, a requirement imposed on a person in respect of a source of thermal energy may be appealed.
- (6) Regulations made by virtue of subsection (2)(i) may-
  - (a) specify the manner and form in which the limits are to be set;
  - (b) require zone coordinators to obtain the consent of the Authority before setting a limit.
- (7) Regulations made by virtue of subsection (2)(j) may-
  - (a) specify the circumstances in which a zone coordinator may or must afford a person a grace period;
  - (b) make provision for the Authority to issue guidance about grace periods;
  - (c) make provision about procedure;
  - (d) specify how, and on what grounds, a refusal to grant a grace period may be appealed.
- (8) In subsection (2)(d), "communal heat network" has the meaning given by section 216(2).
- (9) In subsection (2)(i), "emissions" and "targeted greenhouse gas" have the same meaning as in the Climate Change Act 2008 (see sections 24 and 97 of that Act).
- (10) In subsections (2)(j) and (7), "grace period" means a period to comply before enforcement action is taken.

#### 233 Delivery of district heat networks within zones

- (1) Zones regulations may make provision about the delivery of district heat networks within heat network zones.
- (2) Regulations made by virtue of subsection (1) may, in particular—
  - (a) make provision about zone coordinators deciding—
    - (i) what district heat networks may be constructed and operated within a heat network zone;
    - (ii) who will design, construct, operate and maintain district heat networks within heat network zones;
  - (b) make provision about zone coordinators designing, constructing, operating or maintaining district heat networks within heat network zones, or arranging for their design, construction, operation or maintenance;

Status: This is the original version (as it was originally enacted).

- (c) make provision about the giving of advice by the Authority to zone coordinators about the delivery of district heat networks within heat network zones.
- (3) Regulations made by virtue of subsection (2)(a)(ii) may-
  - (a) make provision for the construction, operation or maintenance of district heat networks within heat network zones to be subject to the consent of zone coordinators;
  - (b) make provision for the grant by zone coordinators of an exclusive right to design, construct, operate or maintain district heat networks within heat network zones or parts of heat network zones.
- (4) Regulations made by virtue of subsection (3)(b) may—
  - (a) make provision for the Authority to publish the standard conditions that zone coordinators must use when granting an exclusive right (and for the Authority to amend or replace the standard conditions);
  - (b) specify the circumstances in which zone coordinators may grant an exclusive right.
- (5) Regulations made by virtue of subsection (2)(a) may-
  - (a) specify the manner and form of zone coordinators' decisions under regulations made by virtue of subsection (2)(a);
  - (b) make provision for a zone coordinator to vary or revoke a decision;
  - (c) specify considerations a zone coordinator may or must take into account when making, varying or revoking a decision;
  - (d) make provision about procedure;
  - (e) make provision about the publication of a decision (or the variation or revocation of a decision);
  - (f) specify how, and on what grounds, a decision, or a variation or revocation of a decision, may be appealed;
  - (g) make provision for a zone coordinator to lose the power to decide the matters specified in subsection (2)(a)(i) and (ii), and instead for those matters to no longer be subject to the zone coordinator's control, if the zone coordinator does not take steps specified by the regulations within a time specified by the regulations.